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2120 L Street, N.W., Suite 520
Washington, D.C. 20037

OFFICE OF THE CHAIRMAN
Telephone (202) 296-8890
Telecopier (202) 296-8893

February 18, 2000

William E. Kennard, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

**RE: REQUEST FOR EMERGENCY RELIEF
CC Docket 96-262**

Dear Chairman Kennard:


AT&T has unilaterally decided to discontinue the provision of interstate service to the customers of several rural competitive local exchange carriers. The Rural Independent Competitive Alliance (RICA) believes this action violates several provisions of the Communications Act and the Commission's Rules. At best, however, the issues surrounding its legal rights to refuse to provide service to the group of customers are currently before the Commission in CC Docket 96-262.

If AT&T is allowed to resolve the issues through "self-help," not only will the outcome of the proceeding be prejudge, but, more importantly, the future of competition in rural areas will be put in serious jeopardy. RICA members have brought specific and substantial benefits to consumers in the rural areas they serve, but these benefits will all be lost if AT&T is allowed to dictate where competition will exist.

For this reason, RICA has filed the attached Request for Emergency Relief which seeks an order to maintain the *status quo ante* pending resolution of the current proceeding. There is substantial risk of irreparable harm to competition and the public interest if the Commission fails to act promptly in this matter; there is little or no risk to AT&T, none of which is irreparable.

RICA therefore respectfully requests the Commission's immediate action in this matter.

Sincerely yours,


David Cosson
Sylvia Lesse

Attorneys for the Rural Independent Competitive Alliance

cc: See attached list.

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List ABCDE

Secretary
Commissioner Ness
Commissioner Furchtgott-Roth
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Commissioner Tristani
Katherine Brown
Dorothy Attwood
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Kyle Dixon
Sarah Whitesell
Lawrence Strickling
Jane Jackson
Glenn Reynolds
Brian Moore, AT&T

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Request for Emergency Temporary) CC Docket No.96-262
Relief Enjoining AT&T Corp. from)
Discontinuing Service Pending)
Final Decision)

To: The Commission

REQUEST FOR EMERGENCY RELIEF

RURAL INDEPENDENT COMPETITIVE ALLIANCE
CTC TELECOM
CONSOLIDATED COMMUNICATIONS NETWORKS, INC.
FOREST CITY TELECOM, INC.
HEART OF IOWA COMMUNICATIONS, INC.
MARK TWAIN COMMUNICATIONS COMPANY
XIT TELECOMMUNICATIONS & TECHNOLOGY, INC.

By: David Cosson
Sylvia Lesse

Their Attorneys

Kraskin, Lesse & Cosson, LLP
2120 L Street, N.W., Suite 520
Washington, D.C. 20037
(202) 296-8890

February 18, 2000

SUMMARY

The Rural Independent Competitive Alliance (“RICA”), and its members CTC Telcom, Consolidated Communications Networks, Inc., Forest City Telecom, Inc., Heart of Iowa Communications, Inc., Mark Twain Communications Company, and XIT Telecommunications & Technology, Inc. (collectively, RICA or “Petitioners”) seek immediate Commission action to prohibit AT&T Corp. (“AT&T”) from illegally withdrawing its interexchange services from the customers of Petitioners or presubscribing customers to AT&T’s services. Contrary to law and policy, AT&T is attempting a unilateral and selective withdrawal from the interexchange market by instructing Petitioners to cease routing traffic to AT&T’s network. AT&T’s precipitous and self-serving action presents immediate and irreparable harm to Petitioners, their customers and the public. Accordingly, immediate Commission action is required to ensure the preservation of the *status quo ante* pending resolution of the issues under consideration in this docket.

AT&T’s action is clearly illegal, violating Sections 201(a), 201(b), 202(a), 203(c), 214(a) and 251(a) of the Communications Act of 1934, as amended. These illegal acts are undertaken unilaterally by AT&T in preemptive answer to outstanding issues under analysis in this proceeding.

Without the requested relief, Petitioners will suffer irreparable competitive harm, and the public, including Petitioners’ customers, will suffer harm in that its choice among competitive and, in many cases, superior, services will be compromised. In addition, the general public interest in the orderly resolution of policy issues would be preserved by grant of the requested relief. In contrast, AT&T is not substantially harmed by issuance of the the requested restraint. Accordingly, the Commission should grant the requested relief to preserve the *status quo ante* pending the outcome of this proceeding.

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To: The Commission

REQUEST FOR EMERGENCY RELIEF

The Rural Independent Competitive Alliance ("RICA"), and its members CTC Telcom, Consolidated Communications Networks, Inc., Forest City Telecom, Inc., Heart of Iowa Communications, Inc., Mark Twain Communications Company, and XIT Telecommunications & Technology, Inc. (collectively, RICA or "Petitioners"), by their attorneys, requests immediate Commission action prohibiting AT&T Corp. ("AT&T") from withdrawing its interexchange services from the customers of RICA members and similarly situated competitive local exchange carriers ("CLECs") serving various portions of rural America. As demonstrated by the attached letters to RICA members, AT&T is attempting a unilateral and selective withdrawal from the interexchange market by instructing Petitioners to "cease routing all traffic to AT&T's network."¹

¹ See letters from Brian W. Moore, Esq., AT&T Corp. dated February 4, 2000 to David Cosson, counsel for CTC Telcom, Consolidated Communications Networks, Inc., Heart of Iowa Communications, Inc., Mark Twain Communications Company and XIT Telecommunications & Technology, Inc.; and to Sylvia Lesse, counsel for Forest City Telecomm, Inc. (Attachments 1 and 2); letter from David Cosson to Brian W. Moore, February 14, 2000 (Attachment 3).

As demonstrated herein, AT&T's action is contrary to statute and the Commission's rules. At best, AT&T's action is wholly premature, given the issues under consideration in the referenced docket. Accordingly, the public interest is served by preserving the *status quo ante* during the pendency of this proceeding rather than allowing AT&T's precipitous and self-serving actions. In support of this request for relief, Petitioners show the following:

I. Background

A. Facts

RICA members such as the recipient Forest City Telecom, Inc. ("FCTI") are rural CLECs. FCTI, for example, provides competitive local exchange and access service to Forest City, Iowa. Pursuant to the Commission's Rules, FCTI filed Tariff FCC No. 1 – Access Services on January 12, 1999. No challenge or protest was filed with respect to this tariff filing. FCTI initiated the provision of local exchange and access services to its customers and interexchange carriers on January 13, 1999. Other RICA members are providing services under similar authority.

Pursuant to its Tariff FCC No. 1, FCTI billed interexchange carriers, including AT&T, for originating and terminating access services rendered. For months, AT&T made only partial payment of FCTI's CABS billings and, without explanation, simply ignored a growing amount of overdue charges. In October, 1999, FCTI wrote directly to AT&T's Access Manager in Marietta, Georgia, requesting immediate payment of past due amounts.² Having received no response to its request, FCTI next directed its counsel to reiterate the FCTI demand at the AT&T corporate

² See Attachment 4.

headquarters level.³ More than two months later, AT&T responded with the attached letter, directing FCTI to “cease routing all traffic to AT&T’s network.” As demonstrated by the attachments, other RICA members have made similar demands for payment and received similar replies from AT&T.

AT&T’s action harms the public at large by illegally withholding service from a selected segment of the public. AT&T’s action also presents immediate and irreparable harm to Petitioners and their customers by imposing an illegal impediment to RICA members’ competitive positions, threatening the survival of these companies and the availability of competitive local service alternatives in rural America. Accordingly, immediate Commission action is required to ensure uninterrupted service to the public pending resolution of the outstanding issues raised in this docket. In the absence of such action, AT&T’s *de facto* victory will frustrate the orderly resolution of issues which will shape the future landscape for the provision of competitive local exchange services.

B. Issues Currently Under Consideration

AT&T’s actions constitute a preemptive strike with respect to the very issues under consideration in this proceeding, including the issues unresolved in the MGC proceeding⁴. The Commission should not allow this unilateral action.

³ See Attachment 5. See also Attachment 6 (demand letter of CTC Telecom, Consolidated Communications Networks, Inc., Heart of Iowa Communications, Inc., Mark Twain Communications Company and XIT Telecommunications & Technology, Inc.).

⁴ *MGC Communications, Inc. v. AT&T Corp.*, 14 FCC Rcd 11647 (Comm. Car. Bur.)(“MCG Bureau Order”), *aff’d*, FCC 99-408 (rel. Dec. 28, 1999).

This proceeding was established to determine the appropriate regulatory framework for CLEC cost recovery. AT&T cannot be allowed to prejudice these proceedings, or RICA members competitive positions, through unilateral, self-serving actions. Assuming, *arguendo*, that AT&T is allowed to force customers to choose among local exchange carriers on the basis of access to specific long distance carriers, the unresolved MGC issues related to the appropriate methodology for withdrawal still require decision.⁵ Commission action to preserve the *status quo ante* pending final resolution of these issues is both necessary and appropriate.

II. Commission Action is Warranted

The Commission is invested with the authority to grant the relief requested. Under the Communications Act of 1934, as amended (the "Act"), the Commission may "perform any and all acts, make such rules and regulation, and issue such orders, not inconsistent with this Act, and may be necessary in the execution of its functions."⁶ Further, the "Commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends of justice."⁷

As indicated herein, in the absence of the relief sought, the precipitous actions of AT&T will harm the public by impeding the provision of competitive service and undermine the

⁵ The MGC Bureau Order specifies that AT&T "remains subject to a broad variety of statutory and regulatory constraints that are too numerous to list here, but which include, without limitation, sections 201, 202, 203 and 214 of the Act and section 63.71 of the Commission's rules." 14 FCC Rcd at 11652-11653 (footnote omitted). Furthermore, the MGC Bureau Order highlights the regulatory and legal questions surrounding even an orderly migration of customers, such as slamming. 14 FCC Rcd at 11655.

⁶ 47 U.S.C. § 154 (i).

⁷ 47 U.S.C. Section 154(j).

Commission's processes. This situation must be addressed immediately to avoid further disruption and greater harm.

III. Emergency Relief is Justified

Petitioners seek equitable relief in the nature of an injunction. Under these circumstances, the Commission's evaluation of Petitioners' proposed remedy will include the equitable considerations enumerated in *Virginia Petroleum Jobbers Association v. Federal PowerCommission*⁸ and *Washington Metropolitan Area Transit Commission v. Holiday Tours, Inc.*⁹ Grant of a the instant request will be based upon a favorable Commission finding on the following four elements:

1. The likelihood of success on the merits;
2. The likelihood that irreparable harm to the requesting party will result in the absence of the requested stay;
3. Other interested parties will not be harmed if the stay is granted; and
4. The public interest favors a grant of a stay.¹⁰

The Commission's review of these factors does not rely on simple mathematical precision. Rather, the Commission must balance these four factors to ensure that the public interest and the public's confidence in full and fair competition in the provision of local exchange service is protected and promoted. RICA and RICA members meet this standard.

⁸ 259 F.2d 921 (D.C. Cir. 1958).

⁹ 559 F.2d 841 (D.C. Cir. 1977).

¹⁰ See *Virginia Petroleum Jobbers*, 259 F.2d at 925; *Holiday Tours*, 559 F.2d at 843.

A. RICA Is Likely to Succeed on the Merits

AT&T's attempted action is clearly illegal. This unilateral withdrawal of service violates no fewer than six specific statutory prohibitions, in addition to myriad Commission rules and policies. The Commission ultimately will rule upon the issues underlying RICA's position in the context of the instant proceeding. Accordingly, a preservation of the *status quo ante* is both necessary and appropriate under these circumstances.

1. AT&T's action violates Sections 201(a), 201(b), 202(a), 203(c), 214(a), and 251(a)

AT&T's position requires the Commission to conclude that AT&T is free to refuse service to a customer because of the identity of that customer's local exchange carrier. This proposition flies in the face of the clear requirements of Section 201(a) of the Communications Act of 1934, as amended (the "Act"), which requires a carrier to "furnish . . . communications service upon reasonable request." AT&T's action denies the "reasonable requests" of Petitioners' subscribers for AT&T's interstate services. AT&T's protest of the level of RICA member access charges notwithstanding, this act of self-help -- denying its long distance services to customers of competitive local exchange carriers -- is clearly and irrefutably illegal in that it also constitutes a violation of the requirement of Section 201(b) of the Act that its practices be just and reasonable.

Violation of this embodiment of the statutory and common law requirements applicable to common carriers is particularly ominous because of AT&T's declared intent to itself enter the local exchange market.¹¹ Preservation of a level playing field, under rules determined by the

¹¹ AT&T owns cable systems in some of Petitioners' markets and has declared its intent to offer local service, as indicated by the attached portion from its Web site (Attachment 7).

Commission's ultimate decisions in this docket, should not be jeopardized by the precipitous unilateral action of a major player.

AT&T's action also violates Section 202(a)'s prohibition against unjust or unreasonable discrimination by singling out customers of CLECs as ineligible to receive AT&T long distance services. While attempting to paint its action as reasonably based upon the level of CLEC access charges, AT&T has not challenged the reasonableness of a single CLEC tariff provision under the Commission's proscribed procedures. Petitioners assert, in any event, that their rates are just, reasonable and non-discriminatory. AT&T should not be allowed to continue its avoidance of the Commission's decision-making processes in favor of overbearing self-help techniques by undercutting the validity and impact of the instant proceeding. Issuance of an order in the nature of an injunction is the only means of avoiding prejudgment of the issues currently under consideration.

Assuming, *arguendo*, that AT&T is found to be able legally to refuse service to a portion of the public, specifically, that portion of the public exercising the right to choose a competitive local exchange carrier, AT&T's methodology in availing itself of this right has itself violated the Act. First, AT&T's action violates Section 203(c) by refusing to provide services offered by tariff. RICA is unaware of any AT&T tariff provision restricting its direct-dial services to the customers of any specific local exchange providers or restricting delivery of messages to specific carriers. In addition, AT&T is violating its own toll-free service offering by directing CLECs to deny to its customers the originating service which AT&T promises to its 800/888 customers. RICA is aware of no provision in AT&T's tariff that limits its own service offering.

AT&T's action also violates Section 214(a) by discontinuing, reducing and impairing service to a community or part of a community without certification from the Commission. AT&T has targeted a defined group of customers and prospective customers as to which it refuses service. AT&T has not itself contacted these customers, but has instead directed the CLECs to perform this duty. To RICA's knowledge, AT&T has not provided notice of its unilateral withdrawal of service to any customer, to this Commission, or to any state commission.

The Commission has found that elimination of service to a particular category of users constitutes denial of service to a part of a community, in violation of Sec 214(a): "No carrier shall discontinue, reduce or impair service to a community, *or a part of a community*, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public convenience and necessity will be adversely affected thereby"¹² In *Chastain v. AT&T*,¹³ the Commission ruled that AT&T was in violation of Section 214(a) for having failed to seek certification prior to its refusal to continue service to users of portable manual mobile telephones. The determination of the public interest effects of discontinuance of service to "a definable group of customers" requires adherence to the procedures of Section 214(a).¹⁴

Not only is the act of withdrawal illegal under Section 214(a), but refusal to provide services to customers of CLECs constitutes a continuing violation of Section 251(a)'s requirement to interconnect with other telecommunications carriers. Section 251(a) preserves to

¹² 47 U.S.C. § 214(a) (emphasis supplied).

¹³ *Referral of "Chastain et al. v. AT&T" From the United States District court for the District of Columbia*, 43 FCC 2d 1079 (1973); *recon. denied*, 49 FCC 2d 749 (1974).

¹⁴ 49 FCC 2d at 752.

the public the benefits of the interconnection of all users to the public switched network.

Immediate action is therefore required to ensure that this basic precept is upheld.

2. AT&T's action violates the Commission's rules and policies

In addition to the various statutory violations listed above, AT&T's actions are inconsistent with universal service principles, specifically, Section 254(b)(3)'s provisions regarding the availability of reasonably comparable services. AT&T's attempt to single out rural customers of CLECs for denial of its long distance service offends the principle that "consumers in . . . rural . . . and high cost areas, should have access to . . . interexchange services . . . that are reasonably comparable to those services provided in urban areas" 47 U.S.C. § 254(b)(3). AT&T's unilateral withdrawal from rural CLEC customers also has the insidious effect of circumventing the requirements of Section 254(g) to ensure that long distance rates across the country are geographically averaged. Refusal to serve "high cost" rural CLEC customers is directly contrary to the language and intent of the statute and the Commission's rules and policies.

Given the foregoing litany of illegal actions, it is clear that RICA will likely succeed in demonstrating to the Commission, in the context of this established docket, that its position is correct and that regulatory safeguards are required to prevent AT&T from taking precisely the unilateral actions here at issue. Accordingly, preservation of the *status quo ante* is not only appropriate, but required.

B. Irreparable Harm Will Result Absent Grant of Relief

RICA members will suffer irreparable harm unless the Commission orders cessation of AT&T's illegal action. It is clear that current RICA customers that utilize AT&T services will

suffer confusion and inconvenience; it is equally clear that RICA members, as the messengers, will suffer the consequences of this confusion and inconvenience. Carrying out the AT&T directives would jeopardize RICA members' credibility and diminish their ability to compete fully and fairly for local exchange service business. In denying its services to CLEC customers, AT&T unfairly tilts the competitive playing field in a manner which would permanently damage RICA members.

The AT&T directive also irreparably damages RICA members' ability to attract new customers. AT&T still provides service to roughly 50% of the long distance market, proving its attractiveness among consumers. If RICA members are artificially prohibited from serving 50% of their target markets, their survival as competitive carriers is severely at risk. Given the enormity and irrevocable nature of the potential damage, Commission intervention is required to preserve the *status quo ante* pending the outcome of this proceeding.

C. AT&T Will Not Suffer Substantial Harm upon Grant of Relief

AT&T is not exposed to substantial harm in the event that relief is granted. The only cost which the requested relief may eventually impose upon AT&T is monetary in nature, and the amount is minimal, in comparison to both AT&T revenues and expenses. Moreover, unless and until the Commission issues a finding that RICA member and other CLEC access rates are excessive, there is no basis for AT&T to argue that it has been damaged. In fact, it is AT&T's serious arrearage to RICA members that constitutes the substantial harm in this matter.

Under a scenario of resolution of issues most favorable to AT&T, a temporary postponement in the execution of the AT&T directives merely delays implementation of AT&T withdrawal from targeted markets. The Commission's prompt resolution of outstanding issues

will minimize this delay. Under a scenario of resolution of issues most favorable to RICA members, AT&T's damages would also be minimized because AT&T will not be required to "undo" its illegal and anticompetitive acts. Accordingly, grant of RICA's request will result in minimal exposure to AT&T regardless of the ultimate outcome in this proceeding.

D. Grant of the Requested Relief Will Serve the Public Interest

The public interest would be served by grant of the requested relief. RICA members are providing superior quality competitive local exchange services in rural areas of the country. Generally, RICA members are the only alternative to large incumbent carriers which, in many cases, have failed to invest in these more rural areas to provide adequate, much less advanced services. RICA members offer a reliable and responsive alternative to the historic service provider and often present the only source of new and advanced services. For example, while CTC Telecom subscribers can access the Internet at a speed of 56 kbs, and DSL service is available to all its subscribers, many of the incumbent's subscribers have only 14.4 kbs access and high speed access is not available from the incumbent or any other provider in the service area. CTC Telcom provides a local presence, while the incumbent's nearest public office is four hours drive. The public interest is not served by the continuance of circumstances which jeopardize the viability of these service providers.

Not only is the public served by clarifying the rules of competitive local exchange service, but the preservation of orderly government decision-making is also decidedly in the public interest. Resolving all outstanding issues in the context of the on-going proceeding would serve both goals. These manifestations of the public interest clearly outweigh the short delay envisioned by the requested relief, or the selfish business interests of AT&T. The public interest

requires issuance of the requested relief.

IV. Conclusion

RICA members have entered the competitive market and initiated service to consumers with justified reliance on the existing state of law and policy; it would unconscionable and a miscarriage of justice to suggest that the unilateral actions of an interexchange carrier can define the public interest and undermine Congressionally-mandated and Commission-sanctioned pro-competitive policies. Accordingly, RICA respectfully requests that the Commission order AT&T to preserve the *status quo ante* pending the Commission's review of the critical issues raised in this proceeding. In addition, the Commission should also find AT&T apparently liable for forfeitures as a result of its willful and repeated violation of various sections of the Act.

Respectfully submitted,

Rural Independent Competitive Alliance
CTC Telcom
Consolidated Communications Networks, Inc.
Forest City Telecom, Inc.
Heart of Iowa Communications, Inc.
Mark Twain Communications Company
XIT Telecommunications & Technology, Inc.

By: 

David Cosson
Sylvia Lesse

Their Attorneys

Kraskin, Lesse & Cosson, LLP
2120 L Street, N.W., Suite 520
Washington, D.C. 20037
(202) 296-8890

February 18, 2000



Brian W. Moore
Attorney

295 North Maple Avenue
Room 3245G3
Basking Ridge, NJ 07920
Voice: 908.221.6502
Fax: 908.221.8460
Email: brianwmoore@att.com

February 4, 2000

David Cosson, Esq.
Kraskin, Lesse & Cosson, LLP
2120 L Street, N.W.
Washington, D.C. 20037

Re: CTC Telcom
Consolidated Communications Networks, Inc.
Heart of Iowa Communications, Inc.
Mark Twain Communications Company
XIT Telecommunications & Technology, Inc.

Dear Mr. Cosson:

Your letter to Peter Jacoby regarding the above-referenced competitive local exchange carriers (collectively, the "CLECs") has been referred to me.

As you accurately state in your letter, the CLECs are aware of AT&T's position that AT&T has not ordered switched access services from them. Indeed, AT&T has made that clear through prior correspondence and communications with each of the CLECs. AT&T's position remains the same, and AT&T is not obligated to and will not pay the amounts demanded by the CLECs.

Furthermore, each of the CLECs should immediately cease routing all traffic to AT&T's network, including, but not limited to, 0+, 1+, 500+, 700+, 8YY+, 900+ and all AT&T associated 10-10-XXX traffic.¹ In addition, the CLECs should not presubscribe any of their respective local exchange customers to AT&T's interexchange services. To the extent that the CLECs have improperly presubscribed their respective customers to AT&T, each CLEC should notify all such customers immediately that it is not authorized to presubscribe customers to AT&T and assist its customers in selecting another interexchange carrier that has provided it with the appropriate authorization or another local exchange provider who is authorized to presubscribe its customers to AT&T's interexchange services.

We trust that the CLECs will immediately comply with AT&T's instruction not to presubscribe any of their respective customers to AT&T's long distance service. In the event that the CLECs do not for any reason comply with this instruction, please be advised that, although

¹ AT&T's instruction to cease routing traffic to AT&T's network applies to both interstate and intrastate traffic, with the exception of intrastate traffic routed to AT&T in Missouri from Mark Twain Communications Company ("Mark Twain"). AT&T, however, reserves all of its rights with respect to originating intrastate traffic in Missouri from Mark Twain.

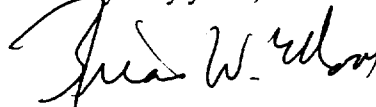
AT&T is not obligated to pay for access services it did not order, AT&T is legally obligated to bill the appropriate party for use of AT&T's long distance services. Moreover, AT&T must bill the appropriate party to prevent fraudulent use of its network. In order to do so, AT&T needs customer account records from the CLECs through the CARE or BNA processes for any use of AT&T's long distance services by the CLECs' respective local exchange customers provided through switched access services not ordered by AT&T. While AT&T has no choice but to accept these CARE records from the CLECs or request BNA information, such action in no way may be construed as the order or purchase of access service from the CLECs.

AT&T will hold each CLEC liable for all losses, damages and costs arising out of each CLEC's improper and unauthorized routing of traffic from its networks to AT&T's network.

If any of the CLECs would like to discuss the possibility of mutually acceptable arrangements for the provision of access services to AT&T, it will be necessary for the CLEC to execute a Confidentiality and Pre-Negotiation Agreement, a form of which is enclosed. Please let me know which CLEC(s) may wish to have discussions with AT&T and I will provide a specific Confidentiality Agreement for each such CLEC. AT&T's participation and willingness to engage in discussions with the CLECs are not to be considered an order, acceptance or purchase of switched access services from the CLECs by AT&T or a suspension, interruption, termination or revocation of AT&T's instruction to the CLECs to cease routing traffic to AT&T's network and to stop presubscribing the CLECs' respective local exchange customers to AT&T's interexchange services.

While your letter addresses only originating traffic from the CLECs, please be advised that AT&T also reserves all of its rights with respect to traffic terminated from AT&T's long distance network to the CLECs' respective local networks.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Brian W. Moore", written in a cursive style.

Brian W. Moore

cc: William J. Taggart III



Brian W. Moore
Attorney

295 North Maple Avenue
Room 3245G3
Basking Ridge, NJ 07920
Voice: 908.221.6502
Fax: 908.221.8460
Email: brianwmoore@att.com

February 4, 2000

Sylvia Lesse, Esq.
Kraskin, Lesse & Cosson, LLP
2120 L Street, N.W.
Washington, D.C. 20037

Re: Forest City Telecom, Inc. ("FCTI")

Dear Ms. Lesser:

Your letter to Peter Jacoby regarding FCTI has been referred to me.

AT&T has not ordered switched access services from FCTI. Therefore, AT&T is not obligated to pay and will not pay the amounts demanded by FCTI.

Furthermore, FCTI should immediately cease routing all traffic to AT&T's network, including, but not limited to, 0+, 1+, 500+, 700+, 8YY+, 900+ and all AT&T associated 10-10-XXX traffic. In addition, FCTI should not presubscribe its local exchange customers to AT&T's interexchange services. To the extent that FCTI has improperly presubscribed its customers to AT&T, FCTI should notify all such customers immediately that FCTI is not authorized to presubscribe customers to AT&T and assist them in selecting another interexchange carrier that has provided FCTI with the appropriate authorization or another local exchange provider who is authorized to presubscribe its customers to AT&T's interexchange services.

We trust that FCTI will immediately comply with AT&T's instruction not to presubscribe any of its customers to AT&T's long distance service. In the event that FCTI does not for any reason comply with this instruction, please be advised that, although AT&T is not obligated to pay for access services it did not order, AT&T is legally obligated to bill the appropriate party for use of AT&T's long distance services. Moreover, AT&T must bill the appropriate party to prevent fraudulent use of its network. In order to do so, AT&T needs customer account records from FCTI through the CARE or BNA processes for any use of AT&T's long distance services by FCTI's local exchange customers provided through switched access services not ordered by AT&T. While AT&T has no choice but to accept these CARE records from FCTI or request BNA information, such action in no way may be construed as the order or purchase of access service from the FCTI.

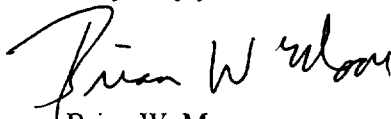
AT&T will hold FCTI liable for all losses, damages and costs arising out of FCTI's improper and unauthorized routing of traffic from its network to AT&T's network.

If FCTI would like to discuss the possibility of mutually acceptable arrangements for the provision of access services to AT&T, it will be necessary for FCTI to execute the enclosed

Confidentiality and Pre-Negotiation Agreement. AT&T's participation and willingness to engage in discussions with FCTI are not to be considered an order, acceptance or purchase of switched access services from FCTI by AT&T or a suspension, interruption, termination or revocation of AT&T's instruction to FCTI to cease routing traffic to AT&T's network and to stop presubscribing FCTI's local exchange customers to AT&T's interexchange services.

Your letter addresses only originating traffic from FCTI. Nonetheless, please be advised that AT&T also reserves all of its rights with respect to traffic terminated from AT&T's long distance network to FCTI's local network.

Very truly yours,



Brian W. Moore

cc: William J. Taggart III

KRASKIN, LESSE & COSSON, LLP
ATTORNEYS AT LAW
TELECOMMUNICATIONS MANAGEMENT CONSULTANTS

2120 L Street, N.W., Suite 520
Washington, D.C. 20037

Telephone (202) 296-8890
Telecopier (202) 296-8893

February 14, 2000

Via Facsimile
908/221-8460

Brian W. Moore, Esq.
AT&T
295 North Maple Avenue
Room 3245G3
Basking Ridge, NJ 07920

Re: CTC Telcom, et al.

Dear Mr. Moore:

Your letter of February 4, 2000 stated that "CLECs should not presubscribe any of their respective local exchange customers to AT&T's interexchange services." While CTC believes AT&T's position and actions in this regard are unlawful, pending resolution of that question, it is incumbent on AT&T to cease marketing its services to CTC's customers and to cease submitting presubscription orders.

Today, CTC Telcom received the attached PIC Change Notification. Pursuant to your letter it will not execute this change. It is, however, AT&T's responsibility to notify the customer that you have discontinued providing service.

Sincerely yours,

David Cosson MDN
David Cosson
Attorney for CTC Telcom

cc: Carol Bukowski
973/882-9779



Forest City Telecom, Inc.

704 East Main St.

Lake Mills, IA 50450

Phone 888-592-5700 Fax 515-592-6102 E-mail fcti@netins.net

October 25, 1999

AT&T Communications
Access Manager – NAPC
600 Eastside Dr., Room 600
Alpharetta, GA 30202

SUBJECT: FOREST CITY TELECOM, INC. CABS BILLINGS

For the last three billing cycles, AT&T has made only partial payment of CABS billings for interstate and intrastate access services provided by Forest City Telecom, Inc. (FCTI).

Without explanation, AT&T has simply ignored charges totaling over \$25,000 (copies of billings attached). FCTI has tendered these billings in accordance with its lawful tariffs, and AT&T has availed itself of FCTI services. Accordingly, FCTI expects immediate payment in full of all outstanding amounts.

If FCTI has not received full payment within five business days of this letter, we will be forced to seek appropriate remedies.

We look forward to your timely response.

Sincerely,

Terry Wegener
General Manager

cc: Sylvia Lesse, Kraskin, Lesse & Cosson, LLP
Peter H. Jacoby, Esq., AT&T

K R A S K I N, L E S S E & C O S S O N, L L P
ATTORNEYS AT LAW
TELECOMMUNICATIONS MANAGEMENT CONSULTANTS

2120 L Street, N.W., Suite 520
Washington, D.C. 20037

Telephone (202) 296-8890
Telecopier (202) 296-8893

VIA OVERNIGHT DELIVERY

November 11, 1999

Peter Jacoby, Esq.
General Attorney
AT&T
295 North Maple Avenue, Room 1134L2
Basking Ridge, New Jersey 07920

Re: Forest City Telecom, Inc.

Dear Mr. Jacoby:

As you are aware, on October 25, 1999, Forest City Telecom, Inc. ("FCTI") formally requested that AT&T render full payment of more than \$ 25,000 due and owing for access services rendered to and utilized by AT&T (copy of letter attached). Consistent with its prior response to CABS billings, AT&T ignored this demand.


Our firm has been engaged to represent FCTI in this matter. FCTI's outstanding billing to AT&T equals \$ 39,274.26 to date (copies of billings attached). AT&T has accepted and continues to accept the validly tariffed services of FCTI and has taken no step to terminate FCTI access service. AT&T has not discontinued its provision of long distance services to FCTI local customers. Furthermore, FCTI is unaware of any attempt on the part of AT&T to identify FCTI local customers or to distinguish such persons for the purposes of any marketing campaign. In short, AT&T has availed itself fully of the tariffed access services offered by FCTI, is fully aware that FCTI services are being utilized, is fully aware that FCTI is incurring costs in providing these services, and is enjoying fully the windfall resulting from its purposeful disregard of lawful FCTI billings.

Under the FCC's ruling in *MCG Communications v. AT&T Corp.*, DA 99-1395 (rel. July 15, 1999), AT&T is obligated to pay the tariffed access charges of FCTI. Accordingly, in the absence of AT&T's remitting full payment of overdue amounts totaling \$25,269.94 no later than November 19, 1999, FCTI will pursue vigorously all available remedies.

Mr. Jacoby
November 11, 1999
Page Two

We look forward to your timely response.

Very truly yours,


Sylvia Lesse

cc: Glenn Reynolds, Esq.
Frank Lamancusa, Esq.

K R A S K I N, L E S S E & C O S S O N, L L P
ATTORNEYS AT LAW
TELECOMMUNICATIONS MANAGEMENT CONSULTANTS

2120 L Street, N.W., Suite 520
Washington, D.C. 20037

Telephone (202) 296-8890
Telecopier (202) 296-8893

November 19, 1999

Peter H. Jacoby, Esq.
AT&T
Room 3250J1
295 North Maple Ave.
Basking Ridge, N.J. 07920

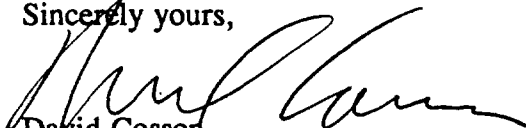
Dear Mr. Jacoby:

On behalf of the five rural Competitive Local Exchange Carriers (CLECs) listed in Attachment A, demand is made for payment of charges for switched access services provided to AT&T as listed therein. Although there are some variations in the facts concerning the provision of service by each CLEC, the common characteristic among them is that A&T has utilized the access services of the CLEC in the provision of its long distance services to the public and presumably has been paid for such service by its customer, but has failed or refused to compensate the CLECs for their provision of the access services which made the communications possible.

The CLECs are aware of AT&T's claim that, in some cases, it has not affirmatively ordered such service. Even where this is the case, AT&T has constructively ordered the service, has obtained the benefits of the access service, and its refusal to compensate the CLECs provides it with unjust enrichment. The CLECs are obligated by Sections 202 and 203 of the Communications Act to collect their filed charges. The CLECs are also aware that AT&T claims that their rates exceed a reasonable level, but note that AT&T has adequate remedies to challenge the reasonableness of their rates and that "self-help" is not an acceptable remedy.

If payment in full is not received by December 10, 1999, the CLECs will initiate appropriate legal action.

Sincerely yours,



David Cosson

cc: Rick Vergin
ReAnn Kautzman
David Schmidt
Bill Rohde
Jimmy White

AT&T
Attn: Access Bill Coordinator
500 North Point Parkway
FLOC B1404
Alpharetta, GA 30005

William J. Taggart, III
District Manager,
CLEC Contract Development and Management
900 Routes 202/206 North
Room 2A108
Bedminster, NJ 07921-0752

Glen Reynolds
Chief, Market Disputes Resolution Division
Enforcement Bureau
FCC

Frank Lamancusa
Deputy Division Chief
Market Disputes Resolution Division
FCC

ATTACHMENT A

CLEC ACCESS CHARGE PAYMENT DEMAND DETAILS

1. CTC Telcom
Dallas, Wisconsin

Exchanges: Rice Lake and Barron, Wisconsin
Period: March 1, 1999 to present
Amount: \$128,055.47 (includes late fees)

2. Consolidated Communications Networks, Inc.
Dickinson, North Dakota

Exchange: Dickinson
Period: August 1, 1998 to August 21, 1999
Amount: \$40, 779.78

3. Heart of Iowa Communications, Inc.
Union, Iowa

Exchange: Eldora
Period: April 1, 1998 to present
Amount: \$83,252.96

4. Mark Twain Communications Company
Hurdland, Missouri

Exchanges: La Belle, Lewiston, Ewing, Missouri
Period: September 1998 through September 1999
Amount: \$22,432.52 (Interstate only, intrastate paid see Mo. PSC No. TC-99-616)

5. XIT Telecommunication & Technology, Inc.
Dalhart, Texas

Exchanges: Dalhart, Stratford
Period: September 1, 1998 to September 1, 1999
Amount: \$235,248.74 (includes late fees)

Total: \$509,769.47

CERTIFICATE OF SERVICE

I, Shelley Davis, of Kraskin, Lesse & Cosson, LLP, 2120 L Street, NW, Suite 520, Washington, DC 20037, do hereby certify that a copy of the foregoing "Request for Emergency Relief" of the Rural Independent Competitive Alliance was served on this 18th day of February 2000, by first class, U.S. mail, postage prepaid to the following parties:


Shelley Davis

Richard Lerner *
Deputy Division Chief
Competitive Pricing Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, SW, Room 5-A221
Washington, DC 20554

Tamara Preiss *
Competitive Pricing Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, SW, Room 5-A221
Washington, DC 20554

Patricia D. Kravtin
Scott C. Lundquist
Economics and Technology, Inc.
One Washington Mall
Boston, MA 02108-2617
Economic Consultants for Ad Hoc
Telecommunications Users Committee

Colleen Boothby
Levine, Blaszak, Block & Boothby, LLP
2001 L Street, NW, Suite 900
Washington, DC 20036
Counsel for Ad Hoc Telecommunications
Users Committee

Robert T. McCausland
Mary C. Albert
Allegiance Telecom, Inc.
1950 Stemmons Freeway, Suite 3026
Dallas, Texas 75207-3118

Patrick Donovan
Kemal Hawa
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
Counsel for Allegiance Telecom, Inc.

Carolyn C. Hill
Alltel Communications, Inc.
601 Pennsylvania Avenue, NW, Suite 720
Washington, DC 20004

Jonathan Askin, Vice President - Law
Emily Williams, Senior Attorney
The Association for Local
Telecommunications Services
888 17th Street, NW, Suite 900
Washington, DC 20006

Jonathan E. Canis
Charles M. Oliver
Enrico Soriano
Kelley Drye & Warren, LLP
1200 19th Street, NW, 5th Floor
Washington, DC 20036
Attorneys for The Association for Local
Telecommunications Services

Albert H. Kramer
Robert F. Aldrich
Dickstein Shapiro Morin & Oshinsky, LLP
2101 L Street, NW
Washington, DC 20037-1526
Attorneys for the American Public
Communications Council

Mark C. Rosenblum
Peter H. Jacoby
Judy Sello
AT&T
295 North Maple Avenue, Room 1135L2
Basking Ridge, NJ 07920

Joseph DiBella
Michael E. Glover
Bell Atlantic
1320 North Courthouse Road, 8th Floor
Arlington, VA 22201

M. Robert Sutherland
Richard M. Sbaratta
Bellsouth Corporation
1155 Peachtree Street, NE, Suite 1700
Atlanta, GA 30309-3610

Rachel J. Rothstein
Brent M. Olson
Cable & Wireless USA, Inc.
8219 Leesburg Pike
Vienna, VA 22182

Danny E. Adams
Robert J. Aamoth
Joan M. Griggin
Kelley Drye & Warren, LLP
1200 19th Street, Suite 500
Washington, DC 20036
Attorneys for Cable & Wireless USA, Inc.

Douglas A. Dawson, Principal
Competitive Communications Group, LLC
Calvert Metro Building
6811 Kenilworth Avenue, Suite 302
Riverdale, MD 20737

Carol Ann Bishoff, EVP/General Counsel
Competitive Telecommunications Assoc.
1900 M Street, NW, Suite 800
Washington, DC 20036

Robert J. Aamoth
Joan M. Griffin
Kelley Drye & Warren, LLP
1200 19th Street, Suite 500
Washington, DC 20036
Attorneys for Competitive
Telecommunications Association

Christopher A. Holt, Asst. General Counsel
Regulatory and Corporate Affairs
CoreComm Limited
110 East 59th Street, 26th Floor
New York, NY 10022

Stuart Polikoff
OPASTCO
21 Dupont Circle, NW, Suite 700
Washington, DC 20036

James L. Casserly
Ghita J. Harris-Newton
Mintz, Levin, Cohn, Ferris, Glovsky &
Popeo, PC
701 Pennsylvania Avenue, NW, Suite 900
Washington, DC 20004
Attorneys for CoreComm Limited

Laura H. Phillips
J.G. Harington
Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Ave, NW, Suite 800
Washington, DC 20036
Attorneys for Cox Communications, Inc.

Andrew D. Lipman
Tamar E. Finn
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
Counsel for CTSI, Inc.

Russell M. Blau
Kemal M. Hawa
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
Counsel for Focal Communications
Corporation and Hyperion
Telecommunications, Inc. d/b/a Adelphia
Business Solutions

George N. Barclay, Associate Gen. Counsel
Personal Property Division
Michael J. Ettner, Senior Asst Gen. Counsel
Personal Property Division
General Services Administration
1800 F Street, NW, Room 4002
Washington, DC 20405

Snively King Majoros O'Connor & Lee Inc.
1220 L Street, NW, Suite 410
Washington, DC 20005
Economic Consultants for General Services
Administration

Gail L. Polivy
GTE Service Corporation
1850 M Street, NW, Suite 1200
Washington, DC 20036

Thomas R. Parker
GTE Service Corporation
600 Hidden Ridge, MS HQ-E03J43
P.O. Box 152092
Irving, TX 75015-2092

Gregory J. Vogt
William B. Baker
Wiley, Rein & Fielding
1776 K Street, NW
Washington, DC 20006
Attorneys for GTE

Susan M. Eid
Richard A. Karre
MediaOne Group, Inc.
1919 Pennsylvania Avenue, NW, Suite 610
Washington, DC 20006

Alan Buzacott
Henry G. Hultquist
MCI Worldcom, Inc.
1801 Pennsylvania Avenue, NW
Washington, DC 20006

Kenneth A. Kirley
Associate General Counsel
McLeodUSA Telecommunications Services
400 S. Highway 169, No. 750
Minneapolis, MN 55426

Kent F. Heyman, Senior VP/Gen. Counsel
Scott A. Sarem, Assistant VP, Regulatory
Richard E. Heatter, Assistant VP, Legal
MGC Communications, Inc.
3301 N. Buffalo Drive
Las Vegas, NV 89129

Michael J. Bradley
Richard J. Johnson
Moss & Barnett
4800 Norwest Center
90 South Seventh Street
Minneapolis, MN 55402-4129

Margot Smiley Humphrey
Koteen & Naftalin, LLP
1150 Connecticut Avenue, NW, Suite 1000
Washington, DC 20036-4104
Counsel for National Rural Telecom Assoc.

L. Marie Guillory
Daniel Mitchell
National Telephone Cooperative Assoc.
4121 Wilson Blvd, Tenth Floor
Arlington, VA 22203-1801

Lynda L. Dorr, Secretary to the Commission
Public Service Commission of Wisconsin
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

William L. Fishman
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Counsel for RCN Telecom Services, Inc.

Alfred G. Richter, Jr.
Roger K. Toppins
Michael J. Zpevak
Thomas A. Pajda
SBC Communications, Inc.
One Bell Plaza, Room 3003
Dallas, TX 75202

Leon M. Kestenbaum
Jay C. Keithley
H. Richard Juhnke
Sprint Corporation
1850 M Street, NW, 11th Floor
Washington, DC 20036

Robert M. Halpern
Crowell & Moring, LLP
1001 Pennsylvania Avenue, NW
Washington, DC 20004
Attorneys for the State of Alaska

John W. Katz, Esquire
Special Counsel to the Governor
Director, State-Federal Relations
Office of the State of Alaska
444 North Capitol Street, NW, Suite 336
Washington, DC 20001
Of Counsel for the State of Alaska

Lawrence G. Malone, General Counsel
Public Service Commission of New York
State
Three Empire State Plaza
Albany, NY 12223-1350

Mr. Micheal Wilson
Mr. John Mapes
Department of Commerce and Consumer
Affairs
State of Hawaii
250 South King Street
Honolulu, Hawaii 96813

Herbert E. Marks
Brian J. McHugh
Squire, Sanders & Dempsey, LLP
1201 Pennsylvania Avenue, NW
P.O. Box 407
Washington, DC 20044

Charles C. Hunter
Catherine M. Hannan
Hunter Communications Law Group
1620 I Street, NW, Suite 701
Washington, DC 20006
Attorneys for Telecommunications Resellers
Association

Edward B. Krachmer, Regulatory Counsel
Teligent, Inc.
8065 Leesburg Pike, Suite 400
Vienna, VA 22182

Brian Conboy
Thomas Jones
Willkie Farr & Gallagher
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20036
Attorneys for Time Warner Telecom

David A. Irwin
Irwin, Campbell & Tannenwald, PC
1730 Rhode Island Avenue, NW, Suite 200
Washington, DC 20036-3101
Counsel for Total Telecommunications
Services, Inc.

Jeffry Brueggeman
US West, Inc.
1801 California Street
Denver, CO 80202

John H. Harwood II
Samir Jain
David M. Sohn
Julie A. Veach
Dan L. Poole
Wilmer, Cutler & Pickering
2445 M Street, NW
Washington, DC 20037-1420
Counsel for US West, Inc.

Lawrence E. Sarjeant
Linda Kent
Keith Townsend
John Hunter
Julie E. Rones
United States Telephone Association
1401 H Street, NW, Suite 600
Washington, DC 20005

Danny E. Adams
Joan M. Griffin
Enrico Soriano
Kelley Drye & Warren, LLP
1200 19th Street, NW, Suite 500
Washington, DC 20036
Attorneys for Winstar Communications, Inc.

Russell C. Merbeth
Lawrence A. Walke
Winstar Communications, Inc.
1615 L Street, NW, Suite 1260
Washington, DC 20036

International Transcription Service *
1231 20th Street, NW
Washington, DC 20036

* Via Hand Delivery